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DIARY NOTES

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DD/S [REDACTED]

26 November 1957

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1. [REDACTED] Chief, Technical Services Staff, telephoned to request that we take up with the Director the question of renovating the [REDACTED] for eventual occupancy by his Staff.

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2. Mr. Dulles, Ed Saunders, and I met at the Bureau of the Budget with Messrs. Brundage, Reid, Macy, and Ecker. While there was no final decision, Mr. Dulles stood his ground very firmly, insisting that we could not take a cut without cutting programs and that he did not think it was appropriate to cut programs. He asked Mr. Brundage on two occasions if it would not be agreeable for the two of them to sit down and talk to the President about the matter. Mr. Brundage said in all frankness that he hated to use up his credit with the President to discuss a [REDACTED] item. He went on to say that other agencies had also declined to take cuts and that he had talked to the President about the ICA Program, the AEC Program, and others, which amounted to several times CIA's total budget. He finally agreed that at his next session with the President he would point out the position we had taken. He said that they would be grateful for any saving we could effect and asked us to think about it and call them again at the end of the week.

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After this meeting I talked with Bob Macy and explained to him that the answer at the end of the week would be the same as today, i.e., that Mr. Dulles would not take a cut if it meant eliminating programs and that I had advised him that we couldn't take a cut without doing so. (Accordingly, the only area for maneuver is the Contingency Reserve. If, as a matter of Presidential policy, it should be decided to cut this [REDACTED] we would have no real grounds for arguing the case inasmuch as this is insurance and we don't know how much insurance we really need. I believe that we are quite likely to get our entire budget approved and that if we have to take any cut it will be in the Reserve.)

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I also talked with Bob about the proposed joint trip to the field. He and Frank Ecker will make the trip for the Bureau and would like to go sometime between the 20th of January and the 1st of February. In discussing the stations to be visited he thought that the Far East would be better for them, and after some discussion we agreed that [REDACTED] probably would serve the purpose quite well. Bob wants very definitely to have someone from the DD/S side of the house accompany them and I told him that we might also want someone from the operational side to go along too. He emphasized again that he did not believe he should get into the substantive aspects of our program but that he did want to look into

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the management controls. I also agreed to call him on this the latter part of the week or the first of next week.

25X1A9a 3. Attended a luncheon given by [REDACTED] John said 25X1A9a
25X1A9a that [REDACTED] was doing a very good job for him and that he hoped we would agree
to extend him for one year. I made no commitments on this.

25X1A9a 4. [REDACTED] called to say that he had talked with [REDACTED] and would
25X1A9a like very much to proceed with the assignment of [REDACTED] to Project AQUATONE.
I told him that I would talk to [REDACTED] and see what could be done.

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